

**State of Rhode Island and Providence Plantations**

**BOARD OF ACCOUNTANCY**

**1511 Pontiac Avenue, Bldg. 68-2**

**Cranston, Rhode Island 02920**

**MEETING MINUTES**

**DATE: May 17, 2016**

**PLACE: Department of Business Regulation (DBR)**

**1511 Pontiac Avenue, Bldg 68-1 Conference Room**

**Cranston, RI 02920**

**MEMBERS PRESENT: Chair Mary F. Bernard, Vice-Chair David Platt, (Present from: 1:43 p.m. – 3:22 p.m.), Secretary Kevin Fountain, and Member Alisa Loiselle**

**MEMBERS ABSENT: Treasurer George Tashjian**

**OTHERS PRESENT: Jenna Algee, Esq., DBR Legal Counsel (Present from: 1:45 p.m. – 2:12 p.m.), (Present from: 2:51 p.m. – 3:01 p.m.) and (Present from: 3:21 p.m. – 3:43 p.m.)**

**Catherine R. Warren, Esq. Administrator of Adjudication (Present from: 1:45 p.m. – 2:13 p.m.)**

**Janet Chase, RI Court Reporting (Present from: 1:45 p.m. – 2:12 p.m.)**

**Dawne Broadfield, Administrative Support Specialist**

**(1) Call to Order – Chair Bernard called the meeting to order at 1:43 p.m.**

## **(2) Meeting Minutes (Review/Discuss/Take Action)**

### **1. Acceptance of the March 15, 2016 Open Session Meeting Minutes**

Vice-Chair Platt moved to approve the open meeting minutes of March 15, 2016 as published. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

### **2. Acceptance of the March 15, 2016 Executive Session Meeting Minutes**

Member Loiselle moved to approve the executive meeting minutes of March 15, 2016 as published. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

**(3) National Association of State Boards of Accountancy (NASBA) matters – (Review/Discuss/Take Action) - Information was sent from NASBA and forwarded to all Board members prior to the meeting to include the following:**

**a. Annual Opt In / Opt Out form for State Boards – Candidate Lists – The Board will submit the completed form to NASBA “Opting Out.”**

**b. NASBA – Questions regarding the continuing professional education (CPE) requirement for non-residents. The Board will**

respond that it is in the process of refining this section of the Regulations and will keep NASBA updated. This matter was continued.

**c. NASBA 2016 Meetings**

- Eastern Regional Meeting – June 7 – 9, 2016 in Asheville, NC - Vice-Chair Platt attended.
- 109th Annual Meeting – October 30, November 2, 2016 in Austin, TX. - Chair Bernard will request a NASBA Scholarship to attend the Annual Meeting in Austin, TX.

**(4) American Institute of Certified Public Accountants (AICPA) and Rhode Island Society of Certified Public Accountants (RISCPA) matters – (Review/Discuss/Take Action)**

**a. Comments from Robert Mancini, Executive Director, (RISCPA) – (1) Status of Internship Opportunity with Roger Williams University (RWU). The finalization of a Job Description was sent to RWU**

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to review to ensure that it will meet the academic expectations set by the Accounting Department. The internship opportunity that the Board submitted was approved by the faculty and posted to RWU's job/internship posting system for student application. The Board received two (2) requests/resumes. Attorney Algee will meet with the DBR Director and Executive Counsel to discuss the next steps. Chair

**Bernard met with the DBR Director, Executive Counsel and Associate Director. It was discussed that the Board oversee the intern and that the intern be off-site. Mr. Mancini was not present. The “Internship Opportunity” was removed from the agenda.**

**(5) Public Company Accounting Oversight Board (PCAOB) – (Review/Discuss/Take Action)**

**a. Kahn, Litwin, Renza & Co., Ltd, #C28 – For information only.**

**(6) Consideration of approval of the following initial application(s) for certification – (Review/Discuss/Take Action)**

**Brenden Michael Agrela Paul Brisson**

**Nicole Berger Lindsey Michelle Pinkerton**

**Vice-Chair Platt moved to accept the initial applications for Brenden Michael Agrela, Nicole Berger, Paul Brisson and Lindsey Michelle Pinkerton for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.**

**(7) Consideration of approval of the following initial without examination application(s) for certification – (Review/Discuss/Take Action)**

**Kelly M. Murphy**

**Vice-Chair Platt moved to accept the initial without examination**

application for Kelly M. Murphy for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

**(8) Consideration of approval of the following reciprocity application(s) for certification – (Review/Discuss/Take Action)**

**Edleen J. Rojas**

Vice-Chair Platt moved to accept the reciprocity application for Edleen J. Rojas for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

**(9) Consideration of approval of the following reinstatement application(s) for certification – (Review/Discuss/Take Action)**

**Robert Kenneth Barber (1472)**

Vice-Chair Platt moved to accept the reinstatement application for Robert Kenneth Barber (1472) for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

**(10) Old Business: (Review/Discuss/Take Action)**

**a. Development of Board's Newsletter - Member Tracy is continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter in an effort to get information out. Mr. Tracy's next communication call with NASBA is on September 17, 2015. Mr. Tracy is no longer a member of this Board. With that being said, the Board tabled this matter to reach out to Kevin Tracy to ask if he would be willing to Chair a "Communications Committee" that the Board would establish. Chair Bernard reached out to Mr. Tracy with no response. The Board discussed having meetings at other locations. Vice-Chair Platt will make contact and discuss with NASBA Communication Committee members in June. This matter is tabled.**

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**b. Renewal Applications – Attestations – The Board will begin a "Pilot" Continuing Professional Education (CPE) and Peer Review Audit process and will audit 3% plus those CPAs and Practice Units that were not in compliance in the past renewal period and requested an extension for completion. Prior to implementation, an audit process will be developed for Board approval prior to conducting the audit.**

**Secretary Fountain will work with Mrs. Broadfield to develop the Auditing Reporting forms. The Board will review the Rhode Island General Laws and Rules and Regulations to determine what recourse there is if a licensee fails the audit. This matter is on hold.**

**c. Public Accountants (PA) – Eliminating the status - Treasurer Tashjian discussed the history of the PA status. 1976 was the last time that there was a PA status issued by this Board. Treasurer Tashjian suggested that the remaining 12 PAs be grandfathered and issued a Certified Public Accountant (CPA) status. The Massachusetts statute was obtained which is the “Conversion of Public Accountant License to Certified Public Accountant License.” Discussion occurred and a question arose as to how it would affect reciprocity in other states. Information was sent to Attorney Algee for review. The Board agreed to move forward the legislation to convert the PAs to the CPAs. Attorney Algee drafted the legislation and the DBR submitted in it their legislative package to the Governor’s Office. Secretary Fountain found an error in the “Talking Points” that will be corrected. Attorney Algee indicated that the legislation was introduced on March 3, 2016 on the House side and heard by House Corporations. This legislation is not moving forward, and therefore was removed from the agenda.**

#### **d. Rules and Regulations**

**(1) Regulation 6: Peer Review Standards – Section 3. Peer Review Oversight Committee – Peer Review Oversight Committee currently consist of three (3) members, none of whom shall be current**

members of the Board. Attorney Algee will draft language that the Peer Review Oversight Committee (PROC) be current Board members. This matter is continued.

(2) Regulation 5: Continuing Professional Education – Section 1.B.1 – The Board requested that Attorney Algee amend the Regulation to remove the second sentence - “The three (3) year CPE term for new licensees shall commence on January 1 of the year following the year in which the licensee received his or her certificate.” This matter is continued.

(3) Regulation 5: Continuing Professional Education – Section 1.B.11 – The Board will be reviewing this section for refining. Attorney Algee drafted the language for refining CPEs for non-residents. This matter is continued.

(4) NASBA Mutual Recognition Agreements (MRA) – The Board will work on adding regulatory language to limit foreign applicants for reciprocity to jurisdictions where there is a MRA. This matter is continued.

#### **e. 2016 Legislation**

f. Ralph M. Greico (7006MA) - Requesting confirmation that he does not need to be an active CPA in RI since he is registered in Massachusetts. He is a partner in a Massachusetts firm as well as a RI firm. The Board responded that based on the ownership interest in a Rhode Island firm, he is required to hold a Rhode Island license. Mr. Greico responded that he is not a partner in a CPA firm in MA and RI. He is a partner in a bookkeeping, accounting and tax firm in MA and RI. The Board will send a response asking if Mr. Greico is



providing compiled, reviewed or auditing financial statements. This matter is continued.

**g. Alaa Ismail – Appeal of Application Denial Hearing, 1:30 p.m.**

**Present were: Jenna Algee, Esq., DBR Legal Counsel (Present from 1:45 p.m. – 2:12 p.m.)**

**Catherine R. Warren, Esq. Hearing Office (Present from 1:45 p.m. – 2:33 p.m.)**

**Janet Chase, RI Court Reporting (Present from 1:45 p.m. – 2:12 p.m.)**

**Alaa Ismail – He is out of the country and chose not to participate.**

**The Hearing opened at 1:45 p.m. Attorney Algee presented the case on behalf of the Board. The Hearing Officer heard the case. The Hearing closed at 2:12 p.m. Attorney Algee left the room. The Hearing Officer discussed the matter with the Board in Executive Session in order to write her decision.**

**(11) New Business: (Review/Discuss/Take Action)**

**a. Peter F. Novak – Notification that he will practicing in the State under substantial equivalency. This is for information only.**

**b. Faham Asghar – International Undergraduate and pursuing Masters Degree in Accounting for US accredited school in the Fall. Would he qualify for the 150 credit hour requirement? The Board Instructed Faham Asghar to apply to NASBA.**

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**c. Cheryl Moretti – The Board approved the request to take the Wiley CPA review course in which she will provide a certificate of completion and will qualify her for completion of the one hundred and twenty (120) continuing professional education hours (CPEs) out of the two hundred and forty (240) CPEs that are required to reinstate. The Board will send a second letter indicating that as the Board reviewed her request of May 6, 2016, it was noted that her electronic signature contains the “CPA” designation. Effective immediately, the Board requires that she remove said designation from her signature until such time as her license is reinstated and copy the managing partner of the Practice Unit.**

**d. CPA Review Courses – Set established guidelines to answer questions received - A National CPA review program will qualify for CPEs subsequent to receiving a license, but not prior to the CPA examination, as long as they get a completion certificate.**

**(12) Next Meeting Date: (Review Discuss/Take Action)**

**a. The next Board meeting scheduled for Tuesday, June 21, 2016 at 1:00 p.m. is canceled. The next Board meeting is scheduled for Tuesday, July 19, 2016.**

**(13) Executive Session**

**Secretary Fountain moved to convene into Executive Session at 2:13 p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one**

**(1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.**

**Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:10 p.m. pursuant to RI General Laws §42-46-4. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.**

**Secretary Fountain moved to record and seal the minutes of the executive session in accordance with RI General Laws §42-46-4 and §42-46-5. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.**

**Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.**

## **Record of Votes taken in Executive Session:**

### **PENDING MATTERS**

**One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) audit report and financial statements for a company that disclosed deficiencies. Secretary Fountain moved to act upon the November 10, 2015 letter received from the U.S. Department of Labor ("DOL") to schedule a disciplinary hearing for the CPA to appear before the Board to address the issues at the February 16, 2016 meeting. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. Based on Attorney Algee's recommendation, the Board will follow the procedure for Notice and Response outlined in Regulation 7. A copy of the complaint will be sent to the licensee by certified mail for a response within twenty (20) days before the Board can proceed to a disciplinary hearing. As outlined in NASBA's February 2016 Enforcement Newsletter, the Board will utilize the new Consent process to expedite the Board's enforcement process and to save limited Board resources from being used on duplicate tasks already performed by the DOL during its investigation. The Board sent a letter to Ms. Caster requesting that the DOL Consent Form be signed and returned to the Board. The Board will send a letter to Ms. Caster requesting that she provide the withdrawal letter from DOL as requested in the last paragraph of her attorney's letter addressed to DOL within sixty (60) days. This matter is continued.**

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• One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement - Secretary Fountain moved to have the Board's Legal Counsel review the pleadings of the case, reply back to the Board and continue. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair May F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. This matter was continued for the Board's Legal Counsel's review.

• One (1) matter pertaining to a licensed Practice Unit entering into a Stipulation and Order – This is information only.

• One (1) matter pertaining to a licensed Practice Unit entered into a Stipulated Settlement and Disciplinary Order – This is information only.

• One (1) matter from an applicant requesting approval to apply to sit for the Certified Public Accountant (CPA) examination, and subsequently, CPA Certification with a criminal charge on the applicant's record. This offense was not of "moral turpitude" or related to "financial improprieties" etc. Therefore, the Board

determined that the applicant would be allowed to sit for the CPA exam ONLY, if the applicant disclosed the offense on the applicant's application. If the applicant fails to disclose the offense on the applicant's application, then the applicant faces the problem of a fraudulent application, which then leads back to the "moral turpitude issue.

- One (1) matter of Practice Unit 2016 Renewal Application – The Practice Unit's Peer Review was done for the year ended September 30, 2013, noted deficiencies and received a peer review rating of fail. The Board will send a letter to the Practice Unit that the application will remain pending until the practice unit produces an updated letter from the New England Peer Review (NEPR) stating the corrected actions have been completed in accordance with the NEPR letter dated September 25, 2014. It is noted the current Practice Unit expires on June 30, 2016.

#### **(14) Adjournment**

Secretary Fountain moved to adjourn at 3:57 p.m. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was absent from this vote.

**Respectfully submitted,**

**Kevin M. Fountain, CPA  
Secretary**

**KMF/dmb**

- **Posted on July 27, 2016 electronically on Secretary of State's Office website. Pursuant to the Open Meetings Law, R.I. Gen. Laws Sec. 42-46-6(b), business not included in this notice may be considered with the consent of the majority of the members, and/or may convene into Executive (closed) Session pursuant to R.I. Gen. Laws Sec. 42-46-5.**